



3. The above action was settled by Settlement and Covenant Not To Sue Agreement dated September 20, 2004 (the "Settlement Agreement"), which was prepared by or on behalf of WILLIS ELECTRIC.

4. Prior to the date of Settlement Agreement, I had a discussion with Henry N.S. Wu ("Wu") president of WILLIS ELECTRIC, during which we agreed to past damages and to withdraw the pending action.

5. At the conclusion of our negotiation I asked Mr. Wu about future use of the Patent and he stated that if WILLIS ELECTRIC decides to use the Patent it will discuss the terms for future use of the Patent with GOLDEN BAY.

6. At no time I agreed that the settlement include future use of the Patent and that is the reason for inclusion of Section 7 in the Settlement Agreement. I only agreed to discontinue the outstanding action and to accept \$230,000.00 for discontinuing the action and for past damages.

7. Upon information and belief, after the Settlement Agreement WILLIS ELECTRIC has continued to manufacture and sell in the United States Christmas net lights without discussion with GOLDEN BAY and without arriving at "mutually agreed term" with GOLDEN BAY regarding the continued sales of such Christmas net lights.

WHEREFORE, I respectfully request that the Court order WILLIS ELECTRIC to comply with the Settlement Agreement, direct accounting of Christmas net lights sold by WILLIS ELECTRIC in the United States resulting from the use of the Patent, award GOLDEN BAY compensatory damages due to breach of the Settlement Agreement by WILLIS ELECTRIC, and for such other and additional relief as this Court deems just and proper.

Dated: 3/20/08

  
James Hsi